

HOUSE BILL No. 1667

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-4.1.

Synopsis: Charitable deduction from inheritance tax. Provides that an individual receiving property subject to the inheritance tax may deduct from the individual's inheritance tax liability an amount equal to the value of that part of the property subject to the inheritance tax that the individual subsequently contributes to a charitable organization.

Effective: July 1, 2003.

Murphy, Hasler

January 21, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1667

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-4.1-3-16 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2003]: **Sec. 16. (a) This section applies to property received from**
4 **the estate of a person who dies after June 30, 2003.**

5 **(b) For purposes of this section, "property subject to the**
6 **inheritance tax" means property transferred by a decedent's estate**
7 **under a taxable transfer.**

8 **(c) For purposes of this section, "charitable organization"**
9 **means an organization to which a bequest, devise, or transfer of**
10 **property would be exempt from the inheritance tax under section**
11 **1 of this chapter if the bequest, devise, or transfer were made by a**
12 **decedent's estate.**

13 **(d) An individual receiving property subject to the inheritance**
14 **tax may deduct from the individual's inheritance tax liability an**
15 **amount equal to the value of that part of the property subject to**
16 **the inheritance tax that the individual subsequently contributes to**
17 **a charitable organization.**



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(e) To claim the deduction allowed under this section, the individual must:

(1) submit proof of the contribution to the personal representative of the resident decedent's estate for attachment to the inheritance tax return filed with the appropriate probate court under IC 6-4.1-4-1; or

(2) attach proof of the contribution to the inheritance tax return filed by the individual with the appropriate probate court under IC 6-4.1-4-1.

(f) An individual may not claim a deduction from the inheritance tax under this section if the individual claims a deduction for the contribution on the individual's federal income tax return for the taxable year.

SECTION 2. IC 6-4.1-4-1, AS AMENDED BY P.L.252-2001, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) Except as otherwise provided in section 0.5 of this chapter or in IC 6-4.1-5-8, the personal representative of a resident decedent's estate or the trustee or transferee of property transferred by the decedent shall file an inheritance tax return with the appropriate probate court within nine (9) months after the date of the decedent's death. The person filing the return shall file it under oath on the forms prescribed by the department of state revenue. The return shall:

(1) contain a statement of all property interests transferred by the decedent under taxable transfers;

(2) indicate the fair market value, as of the appraisal date prescribed by IC 6-4.1-5-1.5, of each property interest included in the statement;

(3) contain an itemized list of all inheritance tax deductions claimed with respect to property interests included in the statement;

(4) contain a list which indicates the name and address of each transferee of the property interests included in the statement and which indicates:

(A) the total value of the property interests transferred to each transferee; and

(B) the total value of the property interests transferred to each transferee subject to a deduction under IC 6-4.1-3-16;

and

(5) contain the name and address of the attorney for the personal representative or for the person filing the return.

(b) If the decedent died testate, the person filing the return shall

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attach a copy of the decedent's will to the return.

SECTION 3. IC 6-4.1-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) For purposes of this section, the net taxable value of property interests transferred by a decedent to a particular transferee equals the remainder of:

(1) the total fair market value of the property interests transferred by the decedent to the transferee under a taxable transfer or transfers; minus

(2) the total amount of exemptions and deductions provided under ~~sections 9-1 IC 6-4.1-3-10~~ through ~~15 of IC 6-4.1-3~~ **IC 6-4.1-3-16** with respect to the property interests so transferred.

(b) The inheritance tax imposed on a decedent's transfer of property interests to a particular Class A transferee is prescribed in the following table:

NET TAXABLE VALUE OF
PROPERTY INTERESTS

TRANSFERRED

INHERITANCE TAX

\$25,000 or less

1% of net taxable value

over \$25,000 but not

over \$50,000

\$250, plus 2% of net
taxable value over \$25,000

over \$50,000 but not

over \$200,000

\$750, plus 3% of net taxable
value over \$50,000

over \$200,000 but not

over \$300,000

\$5,250, plus 4% of net
taxable value over \$200,000

over \$300,000 but not

over \$500,000

\$9,250, plus 5% of net
taxable value over \$300,000

over \$500,000 but not

over \$700,000

\$19,250, plus 6% of net
taxable value over \$500,000

over \$700,000 but not

over \$1,000,000

\$31,250, plus 7% of net
taxable value over \$700,000

over \$1,000,000 but not

over \$1,500,000

\$52,250, plus 8% of net
taxable value over \$1,000,000

over \$1,500,000

\$92,250, plus 10% of net
taxable value over \$1,500,000

(c) The inheritance tax imposed on a decedent's transfer of property



interests to a particular Class B transferee is prescribed in the following table:

NET TAXABLE VALUE OF PROPERTY INTERESTS TRANSFERRED		INHERITANCE TAX
\$100,000 or less		7% of net taxable value
over \$100,000 but not over \$500,000		\$7,000, plus 10% of net taxable value over \$100,000
over \$500,000 but not over \$1,000,000		\$47,000, plus 12% of net taxable value over \$500,000
over \$1,000,000		\$107,000, plus 15% of net taxable value over \$1,000,000

(d) The inheritance tax imposed on a decedent's transfer of property interests to a particular Class C transferee is prescribed in the following table:

NET TAXABLE VALUE OF PROPERTY INTERESTS TRANSFERRED		INHERITANCE TAX
\$100,000 or less		10% of net taxable value
over \$100,000 but not over \$1,000,000		\$10,000, plus 15% of net taxable value over \$100,000
over \$1,000,000		\$145,000, plus 20% of net taxable value over \$1,000,000

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